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FISCAL IMPACT STATEMENT

LS 7076

BILL NUMBER: HB 1383

NOTE PREPARED: Jan 25, 2006

BILL AMENDED: Jan 24, 2006

SUBJECT: Restricting Public Assistance for Illegal Aliens.

FIRST AUTHOR: Rep. Turner

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires a law enforcement agency to: (1) cooperate with the United States Department of Homeland Security concerning illegal aliens; (2) attempt to verify the legal status of an individual suspected of being an illegal alien; and (3) notify the individual, the Attorney General, and the United States Department of Homeland Security that the individual is suspected of being an illegal alien.

The bill provides that an individual may not receive public assistance, benefits for publicly funded health care, or health care services from publicly funded hospitals or health facilities unless the individual is legally present in the United States.

The bill requires a state educational institution to verify the legal status of each student. It also prohibits: (1) a state educational institution from admitting or permitting attendance of an individual who is an illegal alien; and (2) an agency from issuing or renewing a license, permit, or any other official authorization to an illegal alien.

The bill makes immigration forgery a Class C felony.

Effective Date: July 1, 2006.

Explanation of State Expenditures: (Revised) *Law Enforcement Agencies:* The bill requires a law enforcement agency to cooperate with the United States Department of Homeland Security regarding an individual who is arrested if the individual is suspected of being an illegal alien. As proposed, law enforcement agencies would be required to notify the Attorney General and the United States Department of Homeland

Security of the suspected status of the individual. Agencies would also be required to attempt to verify the legal status of the individual, notify the person of the individual's suspected status as an illegal alien, and inform the individual that they must prove their legal status, obtain legal status, or leave the country. The Indiana State Police (ISP) reports that if it detains an illegal alien, the ISP currently notifies United States Immigration and Customs Enforcement (ICE) which is within the United States Department of Homeland Security. Notification of the Attorney General would increase workload minimally. Verifying the identity of a person who has been arrested falls within the current responsibilities of local law enforcement agencies.

Penalty Provision: The bill makes immigration forgery a Class C felony. A Class C felony is punishable by a prison term ranging from two to eight years depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class C felony offenders is approximately two years.

Issuance of Licenses, Permits, or other Official Authorizations: The bill disallows an agency from issuing or renewing a license, permit, or any other official authorization to an individual who is not a United States citizen, an alien lawfully admitted to the United States as a permanent resident, or a person who is otherwise authorized under federal law to be present in the United States. The actual number of licenses, permits, or other official authorizations which would no longer be issued or renewed is unknown. Certain licenses, permits, or other official authorizations require verification of a driver's license or state identification card prior to issuance. Persons without identification would already not be eligible for a license, permit, or official authorization. The state would likely experience a reduction in revenue from fees collected for applications for issuance or renewal of licenses, permits, or other official authorizations. Actual reductions are indeterminable.

Public Assistance and Publicly Funded Health Care: This bill disallows a person from receiving public assistance or health care services (excepting those services which are required by federal law) unless the individual's legal status has been verified as a United States citizen, an alien lawfully admitted as a permanent resident, or an alien lawfully admitted for a temporary period that has not yet expired.

This provision of the bill could potentially reduce the number of persons in the state who are eligible for public assistance or public health care. This could result in savings for the state or allow the state to redirect the funds to other persons needing services within a program for which services were not provided under the bill.

The number of persons who are not United States citizens or legally present in the United States that are currently receiving some sort of public assistance or public health care is unknown. In addition, actual types of services which would fall under the definition of public assistance are not specifically defined in the bill. Actual savings for the state would be dependent on the number of persons no longer eligible for services and the type and cost of services that they would otherwise receive. *Note:* Some of these programs may be reimbursable by the federal government. Should the state not reallocate the funds to other persons within a program for services, the state could potentially reduce its overall federal funding.

Background Information: The State Department of Health (SDH) and Department of Child Services (DCS) report that they currently do not have any services which are restricted to only United States citizens and persons legally present in the United States. The types of services provided by township trustees which might be restricted to certain persons may vary by county and are unknown.

The FSSA reports that services under Medicaid, Food Stamps, and Temporary Assistance for Needy Families (TANF) are restricted to persons legally present in the United States. This restriction has one exception. Under Medicaid, persons illegally present in the United States are eligible for emergency services.

State Educational Institutions: The bill disallows a state educational institution from admitting, enrolling, or permitting the attendance of an individual who is not a United States citizen, an alien lawfully admitted as a permanent resident, or an alien lawfully admitted for a temporary period that has not yet expired. Verification of the legal status of individual students may result in additional administrative expenditures and workload.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C felony is \$10,000. However, any additional revenues would likely be small.

See *Explanation of State Expenditures*.

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

State Agencies Affected: All state agencies.

Local Agencies Affected: Trial courts, local law enforcement agencies; Schools.

Information Sources: Steve Hillman, Indiana State Police; Michelle Milliken, Department of Health; John Ryan, Department of Child Services; John Wood, Department of Child Services; Amy Davis, Family and Social Services Administration.

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